

MANUFACTURERS BANK

Attorneys

Ralph H. Cann, Jr.
Vice President and
Senior Legal Officer
Steven D. Vander Clay
Vice President
Keith M. Altenburg
Legal Officer
C. Vance Borngesser
Legal Officer
Douglas M. Kilbourne
Legal Officer
Allen L. Amber
Leslie London

MANUFACTURERS NATIONAL BANK
OF DETROIT

Legal Department
Corporate Division
Manufacturers Bank Tower
Renaissance Center
Detroit, Michigan 48243
(313) 222-4650

10511
RECORDATION NO. Filed 1425

JUN 18 1979 - 10 40 AM

INTERSTATE COMMERCE COMMISSION
June 14, 1979

9-169A013

JUN 18 1979

50.00

Washington, D.C.

Interstate Commerce Commission
Recordation Department
Room 2227
12th and Constitution Ave., N.W.
Washington, D.C. 20423

Attn: Mrs. Mildred Lee

Dear Mrs. Lee:

Enclosed herewith are three (3) copies of a Mortgage Agreement for recordation. The following information is required by your office for the recordation of said document:

Manufacturers National Bank of Detroit, as Obligor
100 Renaissance Center
Detroit, Michigan 48243

Robert A. Anderson, as Obligor
4495 Ardmore Dr.
Bloomfield Hills, Michigan 48013

Vermont Railway, Inc. is the Lessee and Rex Railway, Inc. is the Managing Agent.

This Mortgage Agreement covers four (4) boxcars, Serial numbers VTR 12191 through 12194 inclusive, as indicated in said Agreement.

Our check No. 050082 in the amount of \$50.00 is also enclosed to cover the recording fee. After these Mortgage Agreements have been recorded, please return the stamped counterparts not required by your office to the undersigned.

Very truly yours,

Keith M. Altenburg
Keith M. Altenburg

KMA/pk
Encl.

RECEIVED
JUN 18 10 37 AM '79
I.C.C.
RECORDATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

7/5/79

OFFICE OF THE SECRETARY

Keith M Altenburg
Manufacturers National Bank
100 Renaissance Center
Detroit, Michigan 48243

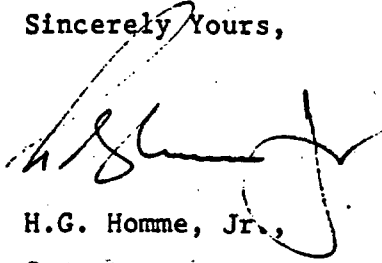
Of Detroit

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on 6/18/79 at 10:40am,
and assigned recordation number(s) 10511

Sincerely Yours,


H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

MORTGAGE AGREEMENT

10511
RECORDATION NO. Filed 1425

JUN 18 1979 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

The undersigned (hereinafter called "Obligor") hereby agrees that MANUFACTURERS NATIONAL BANK OF DETROIT, a national banking association with its principal place of business at 100 Renaissance Center, Detroit, Michigan 48243 (hereinafter called "Bank", and such reference shall include Bank and its successors, assigns and subrogees) shall have a security interest in and, to that end, hereby mortgages and grants a security interest in the railroad equipment described in the following space or in any schedule attached hereto, together with all accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith:

Four (4) boxcars, serial numbers VTR 12191 through 12194 inclusive,

(all of which is hereinafter collectively called the "Collateral") and in the proceeds of the Collateral, whether cash proceeds or non-cash proceeds. Said creation of a security interest in proceeds is not to be construed to give Obligor any right to dispose of the Collateral.

This Agreement secures payment of the indebtedness to Bank evidenced by that certain Note executed by Obligor to Bank dated December 1, 1978, in the amount of ONE HUNDRED TWENTY NINE THOUSAND ----- DOLLARS (\$129,000.00), and any full or part extensions or renewals of said Note. The proceeds of the Note shall be used by Obligor to purchase the Collateral, and Bank is hereby authorized to disburse said proceeds directly to the seller of the Collateral.

Obligor represents, warrants and covenants to Bank that:

1. The Note will be paid as^y and when the same becomes due.
2. On the date hereof, Obligor's residence of principal place of business address is that set forth below Obligor's signature.
3. The Collateral is owned by the undersigned and is free and clear of all other liens and security interests and Obligor will not permit any tax lien or other lien or security interest superior to this security interest to attach to said Collateral. No mortgage other than with Bank has been given or is on file with the Interstate Commerce Commission with respect to the Collateral.

4. Obligor shall pay promptly all taxes, assessments and governmental charges which from time to time after delivery may be imposed upon the Collateral, or the earnings arising therefrom, or the operation thereof, by any government or any country, state or political subdivision thereof, in which the Collateral may be located, or which shall have jurisdiction over the Collateral or any part of them, and Obligor agrees at all times to keep the Collateral free and clear of all tax liens and encumbrances; provided, however, that Obligor shall not be required to pay any tax, assessment or other governmental charge, the validity of which Obligor shall contest in good faith and by appropriate legal proceedings, until such contest shall have been decided, if the non-payment thereof does not, in the judgment of Bank expressed by written notice to Obligor, materially and adversely affect its rights and interests in the Collateral.

5. Obligor has accepted delivery of the Collateral and the said Collateral conforms to all Interstate Commerce Commission requirements and specifications interpreted as being applicable to railroad equipment of the character of such Collateral and the Collateral is free from defects in material and workmanship and is in good and serviceable condition.

6. Obligor will furnish Bank, within ninety (90) days after and as of the end of each calendar year, a detailed report certified by independent public accountants of national standing as to the condition, location and revenue of the Collateral.

7. Obligor shall comply in all respects with all laws of any country, the United States and of the States and political subdivisions thereof, in or through which the said Collateral may be operated, covering the use, operation and maintenance of said Collateral, and with the lawful rules with respect to said Collateral of the Interstate Commerce Commission, and of every other legislative, administrative or judicial body exercising any power or jurisdiction over said Collateral; and, in the event that the said laws or rules require any alterations of any of said Collateral, or any additional Collateral or appliances thereon, Obligor shall conform therewith at its own expense and shall maintain said Collateral in proper condition for operation under such laws and rules during the life of this Agreement.

8. At all times while this Agreement is in force, Obligor, at his own expense, shall keep the said Collateral adequately insured against damage or destruction by fire in an insurance company or companies approved by Bank. The policies shall specify

MORTGAGE AGREEMENT

Page Three

that all payments of loss on said Collateral shall be made to Bank. The policies of insurance, certified copies thereof, or certificates of coverage satisfactory to Bank shall be deposited with Bank.

9. Obligor, at its own cost, shall keep all said Collateral in good condition and proper running order, and, in case any Collateral shall be worn out, lost, destroyed, irreparably damaged or otherwise rendered permanently unfit for use, from any cause whatsoever prior to the payment of the full amount of the Note, the Obligor shall, within twenty (20) days of such event, fully inform the Bank in regard to such destruction or damage and shall, within thirty (30) days of such event, pay to Bank a sum (less any monies received by Bank pursuant to Section 8) equal to the fair value as in good repair of each Collateral so damaged or otherwise rendered permanently unfit for use. For the purpose of this Section 9, the fair value of any Collateral as in good repair shall be deemed to be the original cost thereof less an amount representing depreciation arising from reasonable wear and tear to be determined by the method in use at the time in standard railroad practice for determining such depreciation, but, in no event, exceeding 1/15th of said original cost for each full twelve (12) month period elapsed from the date of delivery and acceptance thereof hereunder to the date as of which such fair value is to be determined, as evidenced by a certificate signed by the Obligor and delivered to Bank. If Obligor shall have received or shall receive from another source compensation for the destruction of such Collateral in excess of such fair value, Obligor shall pay such excess to Bank when received. All monies paid by Obligor to Bank under this Section 9 shall be applied to reduction of the Note.

10. During the term of this Mortgage Agreement, Bank, or its representatives, shall have the right at any time and from time to time to inspect the Collateral and/or Obligor's records pertaining thereto, whether the same are located on Obligor's premises or elsewhere, and to take any other reasonable actions necessary to confirm or ascertain the existence, condition and value of the Collateral.

11. If a creditors' committee shall have been appointed for the business of Obligor; or if Obligor shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors; or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof, for an adjudication in bankruptcy

or for a reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of Obligor) and such receiver, trustee or custodian so appointed shall not have been discharged within thirty (30) days after the date of his appointment; or if an order shall be entered and shall not be dismissed or stayed within thirty (30) days from its entry, approving any petition for reorganization of Obligor, there shall be a default in this Mortgage Agreement.

12. If a default be made in the payment of the Note, or any installment thereof, or in this Mortgage Agreement or the performance by Obligor of any obligations hereunder or under the Note, or if Bank shall for any reason deem itself insecure, Bank may:

- (a) Declare the entire indebtedness immediately due and payable without notice or demand of any kind; and
- (b) Take possession of the Collateral wherever it may be found, with or without process of law, using such force as may be necessary including forcible entry. Further, if Bank so demands, Obligor will forthwith assemble and deliver the Collateral or any designated portions thereof to Bank at a place designated by Bank reasonably convenient for Obligor. Obligor agrees to assemble and deliver the Collateral and to pay all costs therefor, and shall furnish or cause to be furnished, without charge, the necessary facilities to store the Collateral at said place or places designated by Bank. It is hereby expressly covenanted and agreed that the covenants in this Section 12 (b) contained are of the essence of this Agreement and that, upon application to any court having jurisdiction in the premises, Bank shall be entitled to a decree against Obligor requiring the specific performance thereof and the Obligor expressly consents to the entry of such a decree.

Bank's interest hereunder, notwithstanding the above, is subject to Vermont Railway, Inc.'s lessee's rights in the Collateral and to Rex Railways, Inc.'s right to operating expenses pursuant to the Management Agreement by and between Obligor and Rex Railways, Inc.

13. Unless the Collateral is redeemed prior to Bank's disposition thereof, or execution of a contract disposition thereof by tender of all amounts due Bank, including, but not limited to, the expenses of taking, holding and preparing the Collateral for

disposition, arranging for disposition and reasonable attorneys' fees and expenses, Bank may dispose of the Collateral or any portion thereof in any manner permitted by law and Obligor agrees that Bank shall have given reasonable and sufficient notice of such intended disposition if Bank, at least seven days prior to the specified date of disposition, deposits in the mail a letter addressed to Obligor's last address known to Bank, postage prepaid, giving notice of the time, place and manner of disposition. Obligor further acknowledges and agrees that no such notice need be given by Bank if Bank in its discretion determines that the Collateral is of a type customarily sold on a recognized market.

14. Upon disposition of the Collateral, Bank shall apply the proceeds to the reasonable expenses of retaking, holding, preparing for sale, selling and the like, including reasonable attorneys' fees and legal expenses incurred and then to the satisfaction of the Note to Bank secured by the Collateral, the application of proceeds to the Note to be in such order as Bank elects; and then Bank will account to Obligor for any surplus and the Obligor shall remain liable to Bank for any deficiency.

15. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If more than one party shall execute this Agreement, the term "Obligor" shall mean all parties signing this Agreement and each of them, and all such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein, shall include the masculine and feminine and also the plural. If this Agreement is not dated when executed by Obligor, the Bank is authorized, without notice to Obligor, to date this Agreement.

16. This Agreement has been delivered at Detroit, Michigan, and shall be construed in accordance with the laws of the State of Michigan. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

MORTGAGE AGREEMENT
Page Six

17. The rights granted hereunder are cumulative and in addition to any other rights Bank may have by agreement or under applicable law.

This Agreement has been duly executed this 5th day of February, 1979, but shall be effective as of the 1st day of December, 1978.

Address: 4495 Ardmore Dr.
Bloomfield Hills, Mich. 48013

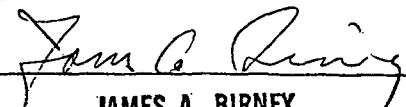

Robert A. Anderson

(x) Residence
() Principal Place
of Business

County: Oakland

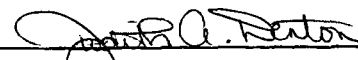
ACCEPTED AND AGREED TO:

MANUFACTURERS NATIONAL BANK OF
DETROIT

By 
Its JAMES A. BIRNEY
Vice President

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

On this 5th day of February, 1979, before me personally appeared Robert A. Anderson, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.


Notary Public, Wayne County, Mich.
My Commission expires: July 20, 1980

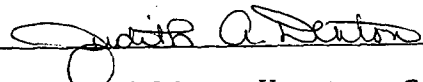
(SEAL)

JUDITH A. DENTON
Notary Public Wayne County, Mich.
My Commission Expires July 20, 1980

MORTGAGE AGREEMENT
Page Seven

STATE OF MICHIGAN)
COUNTY OF WAYNE) SS.

On this 5th day of February, 1979, before me personally appeared James A. Birney to me personally known, who in my presence executed the foregoing instrument on behalf of MANUFACTURERS NATIONAL BANK OF DETROIT on this date and who being by me duly sworn said that he is the Vice President of MANUFACTURERS NATIONAL BANK OF DETROIT, that one of the seals affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.


Notary Public, Wayne County, Mich.

My Commission expires: July 20, 1980

(SEAL)

JUDITH A. DENTON
Notary Public Wayne County, Mich.
My Commission Expires July 20, 1980

RECORDATION NO. 10511 Filed 1425

MANUFACTURERS BANK

JAN 5 - 1982 - 10 00 AM

INTERSTATE COMMERCE COMMISSION

Attorneys

Ralph H. Cann, Jr.
Vice President and
Senior Legal Officer
Steven D. Vander Clay
Vice President
Keith M. Altenburg
Second Vice President and
Legal Officer
C. Vance Borngesser
Second Vice President and
Legal Officer
Douglas M. Kilbourne
Second Vice President and
Legal Officer
Leslie London
Legal Officer
Gerald J. Murphy, Jr.

2-005A053

No.

Date JAN 5 1982

Fee \$ 10.00

ICC Washington, D. C. December 24, 1981

MANUFACTURERS NATIONAL BANK
OF DETROIT

Legal Department
Corporate Division
Manufacturers Bank Tower
Renaissance Center
Detroit, Michigan 48243
(313) 222-4650

Interstate Commerce Commission
Recordation Department
Room 2303
12th and Constitution Ave., NW
Washington, D.C. 20423

Attention: Mrs. Mildred Lee

Dear Mrs. Lee:

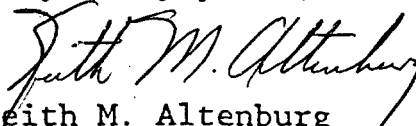
Manufacturers National Bank of Detroit holds a lien of first priority on the property described as "four (4) boxcars, numbers VTR12191 through 12194 inclusive" against Robert A. Anderson of Bloomfield Hills, Michigan. Such a lien was filed of record with the Interstate Commerce Commission on June 18, 1979, at 10:40 a.m., recordation number 10511.

Subsequent to said date, Mr. Anderson re-designated the ownership of the boxcars to his living trust for estate planning purposes. Since legal title is now in that name, the Bank hereby requests that its lien remain indexed under the name of Robert A. Anderson, and also be further indexed in the recordation department of the ICC under the following name:

Robert A. Anderson, as Trustee under Robert A. Anderson
Trust Agreement dated February 8, 1972.

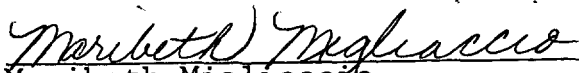
The above stated facts are true to the best of my knowledge,
based upon my review of executed copies of the assignment agree-
ments.

Very truly yours,


Keith M. Altenburg

KMA/mbm

Subscribed and sworn to before me this 28th day of December,
1981, by Keith M. Altenburg, the Second Vice President and Legal
Officer of Manufacturers National Bank of Detroit.


Maribeth Migliaccio
Notary Public, Wayne County, MI
My Commission expires: Feb. 28, 1983

Enclosure
Check No. 059551
cc: James Birney